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PART II—Section 1 Acts, Ordinances and Regulations

GOVERNMENT OF INDIA

MINISTRY OF LAW

New Delhi, the 1st April, 1950

The following Act of Parliament received the assent of the President on the 31st March, 1950 and is hereby published for general information:—

THE FINANCE ACT, 1950

No. XXV of 1950

Act to give effect to the financial proposals of the Central Government for the year beginning on the 1st day of April, 1950

Be it enacted by Parliament as follows.—

1. **Short title.**—This Act may be called the Finance Act, 1950.

2. **Income-tax and super-tax.**—(1) Subject to the provisions of sub-sections (3), (4) and (5), for the year beginning on the 1st day of April, 1950,—

(a) income-tax shall be charged at the rates specified in Part I of the First Schedule, and

(b) rates of super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (hereinafter referred to as **XI of 1922** “the Income-tax Act”), be those specified in Part II of the First Schedule.

(2) In making any assessment for the year ending on the 31st day of March, 1951, there shall be deducted from the total income of an assessee, in accordance with the provisions of section 15A of the Income-tax Act, an amount equal to one-fifth of the earned income, if any, included in his total income but not exceeding in any case four thousand rupees.

(3) In making any assessment for the year ending on the 31st day of March, 1951,—

(a) where the total income of an assessee, not being a company, includes any income chargeable under the head “Salaries” as reduced by the deduction for earned income appropriate thereto, or any income chargeable under the head “Interest on



securities", or any income from dividends in respect of which by virtue of section 49B of the Income-tax Act he is deemed himself to have paid the income-tax imposed under that Act, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Indian Finance Act, 1949, on his total income the same proportion as the amount of such inclusions bears to his total income;

(b) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (2) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable, according to the rates applicable under the operation of the Indian Finance Act, 1949, on his total income the same proportion as the amount of such inclusion bears to his total income.

(4) In making any assessment for the year ending on the 31st day of March, 1951,—

(a) where the total income of a company includes any profits and gains from life insurance business, the super tax otherwise payable by the company on the whole of such total income shall be reduced by an amount which bears to that super-tax the same proportion as the amount of such inclusion bears to its total income or by an amount computed at the rate of two annas in the rupee on the amount of such inclusion, whichever is less;

(b) where the total income of an assessee, not being a company, includes any profits and gains from life insurance business, the income-tax and super-tax payable by the assessee on that part of his total income which consists of such inclusion shall be an amount bearing to the total amount of such taxes payable according to the rates applicable under the operation of the Indian Finance Act, 1942, on his total income the same proportion as the amount of such inclusion bears to his total income, so however that the aggregate of the taxes so computed in respect of such inclusion shall not in any case exceed the amount of tax payable on such inclusion at the rate of four and a half annas in the rupee.

(5) In cases to which section 17 of the Income-tax Act applies the tax chargeable shall be determined as provided in that section but with reference to the rates imposed by sub-section (1), and accordance, where applicable, with the provisions of sub-section (3) and (4) of this section.

(6) For the purposes of making any deduction of income-tax the year beginning on the 1st day of April, 1950, under sub-section (2) or sub-section (2B) of section 18 of the Income-tax Act any earned income chargeable under the head "Salaries", the estimated total income of the assessee under this head shall, in computing the income-tax to be deducted, be reduced by an amount equal to one-fifth of such earned income, but not exceeding in a case four thousand rupees; but no abatement shall be allowed

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for paying the salary in respect of any donee to which section 15B of the Income-tax applies.

Purposes of this section and of the rates of tax imposed by this section "total income" means total income for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Income-tax Act. The expression "earned income" has the meaning assigned to it by section 2 of that Act.

Amendment of Act XI of 1922.—With effect from the 1st day of April, 1950, the following amendments shall be made in the Income-tax Act, namely:—

(a) for sub-section (2) of section 1, the following sub-section shall be substituted, namely:—

"(2) It extends to the whole of India, except the State of Jammu and Kashmir, and applies also within that State to all persons in the service of the Government of India or the Government of any State other than the State of Jammu and Kashmir.";

(b) for clause (14A) of section 2, the following clause shall be substituted, namely:—

(14A) "taxable territories" means—

(a) as respects any period before the 15th day of August, 1947, the territories then referred to as British India, but including Berar,

(b) as respects any period after the 14th day of August, 1947, and before the 26th day of January, 1950, the territories for the time being comprised in the Provinces of India, but excluding the merged territory of Cooch-Behar,

(c) as respects any period after the 25th day of January and before the 1st day of April, 1950, the territories comprised in Part A States, but excluding the merged territory of Cooch-Behar, and the territories comprised in Part C States, but excluding the States of Manipur, Tripura and Vindhya Pradesh,

(d) as respects any period after the 31st day of March, 1950, and before the 18th day of April, 1950, the territory of India excluding the State of Jammu and Kashmir and the Patiala and East Punjab States Union, and

(e) as respects any period after the 12th day of April, 1950, the territory of India excluding the State of Jammu and Kashmir:

Provided that the taxable territories shall be deemed to include—

(a) the merged territories—

(i) as respects any period after the 31st day of March, 1949, for any of the purposes of this Act, and

(ii) as respects the previous year, ing any assessment the 31st day of Mar sequent year; and

(b) the whole of the cluding the State of Jammu

(i) as respects any ~~poses~~ of sections 4A and "

(ii) as respects any ~~pe~~ day of March, 1950, for any of this Act, and

(iii) as respects any period the previous year for the purpose any assessment of the year ending 31st day of March, 1951, or for the subsequent year; ;

(c) in *Explanation 4* to sub-section (1) of section 4

(i) after the words "merged territories", the words "any of the Part B States other than the State of Jammu and Kashmir" shall be inserted, and

(ii) after the words "merged territory", the words "the State" shall be inserted;

(d) in clause (xii) of sub-section (3) of section 4, for the figures "1950" the figures "1952" shall be substituted;

(e) for sub-section (2) of section 7, the following sub-section shall be substituted, namely:—

"(2) Any income which would be chargeable under this head if paid in the taxable territories shall be deemed to be so chargeable if paid in the State of Jammu and Kashmir, or by or on behalf of the Central Government or the Government of any State other than the State of Jammu and Kashmir.;"

(f) in sub-clause (a) of clause (vi) of sub-section (2) of section 10, for the figures "1950" the figures "1952" shall be substituted;

(g) in sub-section (2) of section 44B, for the word "one-twentieth", the word "one-sixth" shall be substituted;

(h) in section 60A, after the words "merged territories", the words and letter "or to any Part B State" shall be inserted;

(i) in sub-clause (a) of clause (iv) of sub-section (2) of section 61, after the words "merged territories" the words, figures and letter "or before the 1st day of April, 1950, in any Part B State other than the State of Jammu and Kashmir" shall be inserted; and

(j) in sub-section (8) of section 66,—

(i) in clause (a), after the words and letter "Part B State" the words and letter "or Part B State" shall be inserted,

(ii) in clause (b), after the word "Ajmer" the words "and Vindhya Pradesh" shall be inserted,

(iii) after clause (e), the following clause shall be inserted, namely:—

"(ee) in relation to Manipur and Tripura, the High Court of Assam,".

4. Alteration of certain duties of customs.—In the First Schedule **XXXII** of the Indian Tariff Act, 1934,—
1934

(a) for Items No. 75, 75(1), 75(2) and 75(8), the following Items shall be substituted, namely:—

"75	Conveyances not otherwise specified and component parts and accessories thereof, other than parts and accessories of motor vehicles and batteries, also motor vans and motor lorries imported completely assembled.	Revenue	30% <i>ad valorem.</i>
75 (1)	Motor cars, including taxi cabs, imported completely assembled.	Preferential re-venue.	60% <i>ad valorem.</i> 54% <i>ad valorem.</i> — —
75 (2)	Motor cycles and motor scooters, and articles (other than rubber tyres, tubes and batteries) adapted for use as parts and accessories thereof, except such articles as are also adapted for use as parts and accessories of other motor vehicles	Preferential re-venue.	45% <i>ad valorem.</i> 37½% <i>ad valorem.</i> — —
75 (3)	Motor omnibuses imported completely assembled.	Preferential re-venue.	30% <i>ad valorem.</i> 22½% <i>ad valorem.</i> ***

Norm.—Motor vehicles, other than motor cycles and motor scooters, when imported otherwise than in a completely assembled condition, shall be dutiable as articles or parts of articles under Item No. 75 (9), 75 (10) or 75 (11), as the case may be."

(b) after Item No. 75(8), the following Items shall be inserted, namely:—

"75 (9)	The following articles, and parts thereof, adapted for use as parts and accessories of motor vehicles other than motor cycles and motor scooters:	Preferential re-venue.	60% <i>ad valorem.</i> 54% <i>ad valorem.</i>
(i)	the following engine components: gaskets, rubber mountings, hose pipes other than brake hose pipes, fuel pump diaphragms, fan belts, rubber components, mufflers, exhaust pipes and tail pipes; and		
(ii)	the following frame and body components: carpets, cushion springs, door and window fittings, trim materials (leather, jute canvas and leather cloth), bus bodies, station wagon bodies, truck bodies, steel cabs for lorries, pick up bodies, and parcel van bodies.		

75 (10) The following articles, and parts thereof, adapted for use as parts and accessories of motor vehicles other than motor cycles and motor scooters:

- (i) the following engine components—brake hose pipes, crank shafts, cam shafts, cams, connecting rods, cylinder blocks and heads, manifolds, valves, valve springs, valve tappets, fly wheel, petrol tank, air cleaner, radiator, oil filter, fan, piston assembly (*viz.*, pistons, piston rings and gudgeon pins), fuel pump, water pump, timing gears and cylinder liners;
- (ii) the following electrical components: starting motor, generator, head lamps and other lamps, fuses, switches, voltage and current regulator, ignition coil, cables and wires, and horn;
- (iii) the following transmission and suspension components: ball and roller bearings, front and rear springs, king pins, shackle pins, bumpers, shock absorbers, spring hanger brackets, clutches, shackles, transmission gear and gear box, propeller shafts, universal joints, rear axle, front axle, front suspension, brake drums; and
- (iv) the following frame and body components: seat runners, short members of chassis frame, and brackets.

75 (11)(a) Articles [other than rubber tyres, tubes, batteries and such other components as are specified in Items Nos. 75(9) and 75(10)] adapted for use as parts and accessories of motor vehicles other than motor cycles and motor scooters; and

(b) Parts of mechanically propelled vehicles and accessories, not otherwise specified

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Provided that such articles as are ordinarily also used for other purposes than as parts and accessories of motor vehicles shall be dutiable at the rate of duty specified for such articles."

5. Additional duties of customs.—When any goods chargeable with a duty of customs under the First Schedule to the Indian Tariff Act, 1934, or under that Schedule read with any notification of the Central Government for the time being in force, are assessed to duty, there shall, up to the 31st day of March, 1951,

be levied and collected as an addition to, and in the same manner as, the total amount so chargeable—

(a) a sum equal to such amount, in the case of goods comprised in Items Nos. 22(2) and 22(4);

(b) a sum equal to one-half of such amount, in the case of goods comprised in Items Nos. 48, 48(1), 48(2), 48(4), 48(5), 48(6), 48(7), 48(8), 48(10) and 51(2), and in the case of textile manufactures specified in Item No. 49 when made wholly or mainly of any of the fabrics specified in Items Nos. 48, 48(1), 48(4), 48(5), 48(7), or 48(10);

(c) a sum equal to two-fifths of such amount, in the case of goods comprised in Items Nos. 47(2), 59(2), 59(4), and 59(5); and

(d) a sum equal to one-fifth of such amount, in the case of goods comprised in any item of the said Schedule other than those specified in clause (a), (b), or (c) of this section or in the Second Schedule to this Act:

Provided that in the case of goods comprised in Items Nos. 48 to 48(10), both inclusive, and in the case of textile manufactures specified in sub-items (a) and (b) of Item No. 49, if the duty of excise for the time being leviable on like goods or, as the case may be, on the fabrics of which such textile manufactures are wholly or mainly made, exceeds the sum of—

(i) the duty of customs chargeable under the First Schedule to the Indian Tariff Act, 1934, or under that Schedule read with any notification of the Central Government for the time being in force, and

(ii) the additional duty of customs chargeable under clause (b) or (d) of this section,

there shall, up to the 31st day of March, 1951, be levied and collected as a further addition to, and in the same manner as, the duties of customs so chargeable an amount equal to the aforesaid excess.

6. Substitution of revenue duties for protective duties.—In the First Schedule to the Indian Tariff Act, 1984, in each of the Items, No. 17 and No. 28(19),—

(a) for the word "Protective" in the third column, the word "Revenue" shall be substituted; and

(b) the entry in the last column shall be omitted.

7. Imposition and alteration of certain export duties.—In the Second Schedule to the Indian Tariff Act, 1934,—

(a) for Item No. 2, the following Item shall be substituted, namely:—

"2. Jute manufactures (including manufactures of Bimlipatam jute or of mesta fibre), when not in actual use as coverings, receptacles or bindings for other goods—

(i) Sacking (cloth, bags, twist, yarn, rope and twine) Ton of Rs. 50
2,240 lbs

(ii) Hessians Ton of Rs. 360
2,240 lbs. 2,240 lbs.

(iii) All other descriptions of jute manufactures not Ton of Rs. 80"; otherwise specified. 2,240 lbs.

(b) in Item No. 8, for the entry in the last column, the entry "Rs. 100" shall be substituted; and

(c) after Item No. 8, the following Items shall be inserted, namely:—

"9. Mustard oil	lb. 8 annas
10(a) Iron or steel, other than sheets, the following :	.. 45% <i>ad valorem</i>

ingots; blooms; billets; tinbars; sheet bars and slabs; steel castings; heavy structural (including heavy sections of joists, channels and angles); light structural (including light sections of joists, channels, angles, tees and light rails of 30 lbs. and under); tyres, wheels and axles; shell steel ingots, blooms, billets and bars; heavy rails (over 30 lbs.); fish platen; dog-spikes; chair-spikes; screw-spikes; tinplate; terncplate; plates (shipbuilding); plates (ordinary mild steel and tensile); plates (bullet proof); bars (including flats, squares, rounds, hexagons and rods); bolts (including fish bolts), nuts and rivets; black or galvanised wire, whether plain or barbed; wire nails; wire (miscellaneous); hoops and strips; spring steel in any unfabricated or semifabricated form; tool steel in any unfabricated or semifabricated form; steel pressure pipes, tubes and fittings, coated or uncoated, excluding electrical conduit pipes; cast iron pressure pipes and specials; pressure pipes made of any substance reinforced with iron and steel; and wire ropes.

(b) Iron or steel, black sheets and galvanised sheets (plain and corrugated). 30% *ad valorem*.

11. Black pepper 30% *ad valorem*.

8. Alteration of certain duties of central excise.—In the First Schedule to the Central Excises and Salt Act, 1944,—

I of 1944
 (a) in Item No. 2, for the entries in the last column against sub-items (1) (ii), (1) (iii), (2) (ii) and (2) (iii), the following entries shall, respectively, be substituted:—

"Two rupees, fourteen annas and six pice per gross of boxes";
 "Two rupees and thirteen annas per gross of boxes";
 "One rupee and fifteen annas per gross of boxes"; and
 "One rupee and fourteen annas per gross of boxes";

(b) in Item No. 12, for the entries in the last column against sub-items (1) and (2), the entries "Twenty per cent. *ad valorem*" and "Five per cent. *ad valorem*" shall, respectively, be substituted.

9. Discontinuance of salt duty.—For the year beginning on the 1st day of April, 1950, no duty shall be levied on salt manufactured in, or imported by sea or land into, the territory of India excluding the State of Jammu and Kashmir.

10. Inland postage rates.—With effect from the 1st day of April, 1950, the Schedule contained in the Third Schedule to this Act shall be substituted for the First Schedule to the Indian Post Office Act, 1898.

11. Extension of certain Central Acts to certain Part B States.—
 (1) With effect from the 1st day of April, 1950, the following Acts, namely:—

- (i) the Sea Customs Act, 1878,
- (ii) the Land Customs Act, 1924,
- (iii) the Indian Tariff Act, 1934, and
- (iv) the Central Excises and Salt Act, 1944,

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 XIX of 1924
 XXXII of
 1934
 I of 1944

and all rules and orders made thereunder which are in force immediately before the commencement of this Act, are hereby extended to, and shall be in force in, the whole of India except the State of Jammu and Kashmir.

(2) With effect from the 1st day of April, 1950, the Indian Post Office Act, 1898 and all rules and orders made thereunder which are in force immediately before the commencement of this Act are hereby extended to, and shall be in force in, the whole of India.

(3) With effect from the 1st day of April, 1950, the amendments specified in the Fourth Schedule shall be made in the Acts specified therein.

12. Removal of difficulties.—If any difficulty arises in giving effect to the provisions of any of the Acts, rules or orders extended by section 3 or section 11 to any State or merged territory, the Central Government may, by order, make such provision, or give such direction, as appears to it to be necessary for removing the difficulty.

13. Repeals and savings.—(1) If immediately before the 1st day of April, 1950, there is in force in any Part B State other than Jammu and Kashmir or in Manipur, Tripura or Vindhya Pradesh or in the merged territory of Cooch-Behar any law relating to income-tax or super-tax or tax on profits of business, that law shall cease to have effect except for the purposes of the levy, assessment and collection of income-tax and super-tax in respect of any period not included in the previous year for the purposes of assessment under the Indian Income-tax Act, 1922, for the year ending on the 31st day of March, 1951, or for any subsequent year, or, as the case may be, the levy, assessment and collection of the tax on profits of business for any chargeable accounting period ending on or before the 31st day of March, 1949:

XI of 1922

Provided that any reference in any such law to an officer, authority, tribunal or court shall be construed as a reference to the corresponding officer, authority, tribunal or court appointed or constituted under the said Act, and if any question arises as to who such corresponding officer, authority, tribunal or court is, the decision of the Central Government thereon shall be final:

Provided further that where under any such law, tax is chargeable on the total income including agricultural income, the assessment shall be made by the corresponding officer or authority referred to in the preceding proviso only in respect of income other than agricultural income, and the tax payable on such income shall be an amount bearing to the total amount of tax which would have been payable under the State law if a combined assessment had been made, the same proportion as such income bears to the total

income including the agricultural income, so however that for this purpose any reduction of tax allowed on the agricultural income by the State law shall not be taken into account.

(2) If immediately before the 1st day of April, 1950, there is in force in any State other than Jammu and Kashmir a law corresponding to, but other than, an Act referred to in sub-section (1) or (2) of section 11, such law is hereby repealed with effect from the said date; and if immediately before the said date there is in force in the State of Jammu and Kashmir a law corresponding to the Indian Post Office Act, 1898, such law is hereby repealed with effect from the said date.

Provided that such repeal shall not affect (a) the previous operation of the corresponding law, or (b) any penalty, forfeiture or punishment ordered in respect of an offence committed against any such law, or (c) any investigation, legal proceeding or remedy in respect of such penalty, forfeiture or punishment, and any such investigation, legal proceeding or remedy may be instituted, continued or enforced, and any such penalty, forfeiture or punishment may be imposed, as if this Act had not been passed.

THE FIRST SCHEDULE

(See section 2)

PART I

Rates of Income-tax

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which paragraph B or C of this Part applies—

	Rate
1. On the first Rs. 1,500 of total income	Nil.
2. On the next Rs. 3,600 of total income	Nine pies in the rupee.
3. On the next Rs. 5,000 of total income	One anna and nine pies in the rupee.
4. On the next Rs. 5,000 of total income	Three annas in the rupee.
5. On the balance of total income	Four annas in the rupee.

Provided that—

(i) no income-tax shall be payable on a total income which, before deduction of the allowance, if any, for earned income, does not exceed the limit specified below,

(ii) the income-tax payable shall in no case exceed half the amount by which the total income (before deduction of the said allowance, if any, for earned income) exceeds the said limit;

(iii) the income-tax payable on the total income as reduced by the allowance for earned income shall not exceed either—

(a) a sum bearing to half the amount by which the total income (before deduction of the allowance for earned income) exceeds the said limit the same proportion as such reduced total income bears to the unreduced total income, or

(b) the income-tax payable on the income so reduced at the rates herein specified,—

whichever is less

The limit referred to in the above proviso shall be—

(i) Rs. 7,200 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely—

(a) that it has at least two members entitled to a share on partition who are not less than 18 years of age; or

(b) that it has at least two members entitled to a share on partition neither of whom is a lineal descendant of the other and both of whom are not lineally descended from any other living member of the family; and

(ii) Rs. 3,600 in every other case.

B. In the case of every company—

Rate

On the whole of total income Four annas in the rupee :

Provided that in the case of a company which, in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1951, has made the prescribed arrangements for the declaration and payment within the territory of India excluding the State of Jammu and Kashmir, of the dividends payable out of such profits, and has deducted super-tax from the dividends in accordance with the provisions of sub-section (3D) or (3E) of section 18 of that Act—

(i) where the total income, as reduced by six and a half annas in the rupee and by the amount, if any, exempt from income-tax, exceeds the amount of any dividends (including dividends payable at a fixed rate) declared in respect of the whole or part of the previous year for the assessment for the year ending on the 31st day of March, 1951, and no order has been made under sub-section (1) of section 28A of the Income-tax Act, a rebate shall be allowed at the rate of one anna per rupee on the amount of such excess;

(ii) where the amount of dividends referred to in clause (i) above exceeds the total income as reduced by six and a half annas in the rupee and by the amount, if any, exempt from income-tax, there shall be charged on the total income an additional income-tax equal to the sum, if any, by which the aggregate amount of income-tax actually borne by such excess (hereinafter referred to as "the excess dividend") falls short of the amount calculated at the rate of five annas per rupee on the excess dividend.

For the purposes of the above proviso, the expression "dividend" shall have the meaning assigned to it in clause (6A) of section 2 of the Income-tax Act, but any distribution included in that expression, made during the year ending on the 31st day of March, 1951, shall be deemed to be a dividend declared in respect of the whole or part of the previous year.

For the purposes of clause (ii) of the above proviso, the aggregate amount of income-tax actually borne by the excess dividend shall be determined as follows—

(i) the excess dividend shall be deemed to be out of the whole or such portion of the undistributed profits of one or more years immediately preceding the previous year as would

be just sufficient to cover the amount of the excess dividend and as have not likewise been taken into account to cover an excess dividend of a preceding year;

(ii) such portion of the excess dividend as is deemed to be out of the undistributed profits of each of the said years shall be deemed to have borne tax,—

(a) if an order has been made under sub-section (1) of section 23A of the Income-tax Act, in respect of the undistributed profits of that year, at the rate of five annas in the rupee, and

(b) in respect of any other year, at the rate applicable to the total income of the company, for that year reduced by the rate at which rebate, if any, was allowed on the undistributed profits.

C. In the case of every local authority and in every case in which, under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate—

Rate
On the whole of total income Four annas in the rupee.

PART II

Rates of Super-tax

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other paragraph of this Part applies—

Rate
1. On the first Rs. 25,000 of total income Nil.
2. On the next Rs. 15,000 of total income Three annas in the rupee.
3. On the next Rs. 15,000 of total income Four annas in the rupee.
4. On the next Rs. 15,000 of total income Six annas in the rupee.
5. On the next Rs. 15,000 of total income Seven annas in the rupee.
6. On the next Rs. 15,000 of total income Seven and a half annas in the rupee.
7. On the next Rs. 50,000 of total income Eight annas in the rupee.
8. On the balance of total income Eight and a half annas in the rupee.

B. In the case of every local authority:—

Rate
On the whole of total income Two and a half annas in the rupee.

C. In the case of an association of persons being a co-operative society (other than the Sanikatta Saltowners' Society in the State of Bombay) for the time being registered under the Co-operative Societies Act, 1912 or under any law of a State governing the registration of co-operative societies—

Rate
1. On the first Rs. 25,000 of total income Nil.
2. On the balance of total income Two and a half annas in the rupee.

D. In the case of every company:—

Rate

On the whole of total income Four and a half annas in the rupee!

Provided that—

(i) a rebate at the rate of three annas per rupee of the total income shall be allowed in the case of any company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1951, has made the prescribed arrangements for the declaration and payment in the territory of India excluding the State of Jammu and Kashmir of the dividend payable out of such profits and for the deduction of super-tax from dividends in accordance with the provisions of sub-section (3D) or (3E) of section 18 of that Act, and

(b) is a public company with total income not exceeding Rs. 25,000;

(ii) a rebate at the rate of two annas per rupee of the total income shall be allowed in the case of any company which satisfies condition (a), but not condition (b), of the preceding clause; and

(iii) a rebate at the rate of one anna per rupee of the total income shall be allowed in the case of any company which, not being entitled to a rebate under either of the preceding clauses, is—

(a) a public company whose shares were offered for sale in a recognised stock exchange at any time during the previous year, or

(b) a company all of whose shares were held at the end of the previous year by one or more such public companies as aforesaid:

Provided further that the super-tax payable by a company the total income of which exceeds Rs. 25,000 shall not exceed the aggregate of—

(a) the super-tax which would have been payable by the company if its total income had been Rs. 25,000, and

(b) half the amount by which its total income exceeds Rs. 25,000.

Explanation.—For the purposes of this paragraph of this Part, a company shall be deemed to be a public company only if it is neither a private company within the meaning of the Indian Companies Act, 1913, nor a company in which shares carrying more than fifty per cent. of the total voting power were, at any time during the previous year, held or controlled by less than six persons.

THE SECOND SCHEDULE

(See section 5)

Goods on which additional duty of customs is not leviable.

**A. Goods comprised in the following Items of the First Schedule
XXXII of to the Indian Tariff Act, 1934, namely:—**

2, 4, 4(1), 4(3), 4(4), 4(5), 7(1), 8(1), 8(2), 8(3), 8(4), 8(5), 9(3), 9(5), 9(6), 9(7), 11(4), 11(5), 12(6), 13(4), 13(8), 13(9), 15, 15(5), 15(9), 15(10), 15(11), 15(12), 16, 16(1), 16(3), 20(1), 20(2), 20(3), 20(4), 20(5), 20(6), 20(7), 20(8), 20(9), 21(3), 21(4), 21(5), 21(6), 21(7), 21(8), 21(9), 22(3), 22(5), 24, 24(1), 24(2), 24(3), 25(1), 27(1), 27(2), 27(8), 27(4), 27(5), 27(6), 27(9), 28, 28(8), 28(14), 28(15), 28(16), 28(17), 28(18), 28(19), 28(20), 28(21), 28(22), 28(23), 28(24), 28(25), 28(26), 28(27), 28(28), 28(29), 28(30), 29, 29(1), 30, 30(1), 30(2), 30(9), 30(10), 30(11), 30(12), 30(13), 31(4), 34(3), 40(4), 40(5), 40(6), 40(7), 43, 44, 44(1), 45, 45(3), 46(3), 49(6), 49(2), 51, 52(4), 53(2), 55, 55(1), 55(2), 55(3), 60, 60(2), 60(3), 60(4), 60(5), 60(6), 61(2), 61(3), 61(8), 61(9), 61(11), 62(1), 62(2), 63(14), 63(30), 63(31), 63(32), 63(33), 63(34), 63(35), 64, 64(3), 64(4), 65, 66, 66(1), 67, 67(1), 67(2), 68, 68(2), 69(2), 70, 70(1), 70(2), 70(8), 70(4), 70(5), 70(6), 70(9), 71(2), 71(3), 71(7), 71(8), 71(9), 71(10), 72, 72(1), 72(2), 72(8), 72(4), 72(5), 72(11), 72(12), 72(13), 72(14), 72(15), 72(16), 72(17), 72(18), 72(19), 72(20), 72(21), 72(22), 72(23), 72(24), 72(25), 72(26), 72(27), 72(28), 72(33), 73(2), 73(4), 78(7), 78(8), 78(9), 78(10), 78(11), 78(12), 78(18), 78(14), 78(15), 74(2), 74(4), 75, 75(1), 75(2), 75(3), 75(5), 75(6), 75(7), 75(8), 75(9), 75(10), 75(11), 77(2), 77(4), 77(5), 78, 78(1), 79, 82(1), 84, 84(1), 85(1).

**B. Goods comprised in the following Items of the First Schedule
XXXII of to the Indian Tariff Act, 1934, when the Customs Collector is satisfied that such goods are the produce or manufacture of Burma, namely:—**

No. 7 (potatoes and onions only) and Nos. 9, 9(3), 13(2), 17 and 84(4) (a)

THE THIRD SCHEDULE

(See section 10)

Schedule to be substituted for the First Schedule to the Indian Post Office Act, 1898.

VI of 1898

“THE FIRST SCHEDULE

INLAND POSTAGE RATES

(See section 7)

Letters

For a weight not exceeding one tola Two annas.
For every tola, or fraction thereof, exceeding one tola One anna.

Postcards

Single Nine pies.
Reply One and a half annas.

Book, Pattern and Sample Packets

For the first five tolas or fraction thereof	Nine pies.
For every additional two and a half tolas, or fraction thereof, in excess of five tolas	Three pies.

Registered Newspapers

For a weight not exceeding ten tolas	Three pies.
For a weight exceeding ten tolas and not exceeding twenty tolas	Six pies.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Six pies.
In the case of more than one copy of the same issue of a registered newspaper being carried in the same packet—	
For a weight not exceeding ten tolas	Six pies.
For every additional five tolas, or fraction thereof, in excess of ten tolas	Three pies :

Provided that such packet shall not be delivered at any addressee's residence but shall be given to a recognised agent at the post office.

Parcels

For a weight not exceeding forty tolas	Six annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Six annas."

THE FOURTH SCHEDULE

(See section 11)

*Amendments of Central Acts***I. The Sea Customs Act, 1878 (VIII of 1878).**

(1) Throughout the Act, for the words "the States" wherever they occur, the word "India" shall be substituted.

(2) In section 1, for the words and letter "Part B States", the words "the State of Jammu and Kashmir" shall be substituted.

(3) In section 3,—

(a) for clause (e), the following clauses shall be substituted, namely:—

“(e) “foreign port” means any place not within the territory of India;

(ee) “India” means the territory of India excluding the State of Jammu and Kashmir;” and

(b) clause (k) shall be omitted.

(4) After section 8, the following section shall be inserted, namely:—

“8A. *Power to define customs frontiers.*—The Central Government may, by notification in the Official Gazette, define the customs frontiers of India.”

(5) In section 18,—

(a) for the word “States” wherever it occurs, the word “India” shall be substituted; and

(b) for clauses (f), (i) and (j), the following clauses shall, respectively, be substituted, namely:—

“(f) picce-goods manufactured outside India, such as are ordinarily sold by length or by the piece, if each piece has not been conspicuously marked—

(i) with the name of the manufacturer, exporter, or wholesale purchaser in India, of the goods, and

(ii) with the real length of the piece in standard yards, inscribed in the international form of numerals;”

“(i) cotton yarn manufactured outside India, such as is ordinarily imported in bundles, if each bundle containing such yarn has not been conspicuously marked—

(i) with the name of the manufacturer, exporter, or wholesale purchaser in India, of the goods, and

(ii) with an indication of the weight and the count of the yarn contained in it, in accordance with the rules made under section 20 of the Indian Merchandise Marks Act, 1889;”

“(j) cotton sewing, darning, crochet or handicraft thread manufactured outside India, if each of the units in which the thread is supplied has not been conspicuously marked—

(i) with the name of the manufacturer, exporter, or wholesale purchaser in India, of the goods, and

(ii) with the length or weight of the thread contained in it and in such other manner as is required by the rules made under section 20 of the Indian Merchandise Marks Act, 1889.”

II. *The Land Customs Act, 1924 (XIX of 1924).*

(1) In sub-section (2) of section 1, for the words and letter “Part B States” the words “the State of Jammu and Kashmir” shall be substituted.

(2) In clause (e) of section 2, for the words and letters “the territories comprised within Part A States and Part C States” the word “India” shall be substituted.

(3) In sub-section (2) of section 7, for the words and letters “Part A States and Part C States”, the word “India” shall be substituted.

(4) In the Schedule, for the word and figure “Sections 4”, the word, figures and letter “Sections 8A, 4” shall be substituted.

III. *The Indian Tariff Act, 1934 (XXXII of 1934).*

(1) In sub-section (2) of section 1, for the words and letter “Part B States” the words “the State of Jammu and Kashmir” shall be substituted.

(2) In sub-section (4) of section 2, section 5 and section 6, for the words and letters “a Part A State or a Part C State” wherever they occur, the word “India” shall be substituted.

(3) In section 5, sub-section (1) of section 9 and the First Schedule, for the words and letters “Part A States and Part C States” the word “India” shall be substituted.

(4) In section 8, for the words "the States" the word "India" shall be substituted.

(5) In the First Schedule, Item No. 12(1) shall be omitted.

IV. The Central Excises and Salt Act, 1944 (I of 1944).

(1) Throughout the Act, for the words "the States" wherever they occur, the word "India" shall be substituted.

(2) In sub-section (2) of section 1, for the words and letter "Part B States" the words "the State of Jammu and Kashmir" shall be substituted.

(3) In section 2,—

(a) after clause (e), the following clause shall be inserted, namely:—

'(ee) "India" means the territory of India excluding the State of Jammu and Kashmir; and

(b) clause (jj) shall be omitted.

(4) In section 5, for the words and letter "the territory of a Part B State" the words "the State of Jammu and Kashmir" shall be substituted.

(5) In clause (iii) of sub-section (2) of section 37, for the words and letter "any specified Part B State" the words "the State of Jammu and Kashmir" shall be substituted.

V. The Indian Post Office Act, 1898 (VI of 1898).

(1) Throughout the Act, for the words "the States" wherever they occur, the word "India" shall be substituted.

(2) The following shall be omitted, namely:—

(a) in sub-section (2) of section 1, the words and letter "except Part B States";

(b) clause (1) of section 2;

(c) in sub-section (1) of section 36 and in sub-section (1) of section 46, the words "Indian State corresponding to a" and the words and letter "Part B State"; and

(d) section 57.

K. V. K. SUNDARAM, Secy.

